

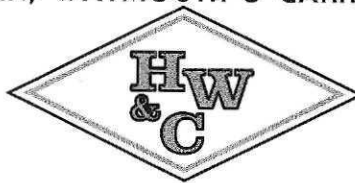
**Louisiana Assistive Technology
Access Network
Baton Rouge, Louisiana
August 31, 2013**

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HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

LOUIS C. McKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

Independent Auditor's Report

Board of Directors
Louisiana Assistive Technology Access Network
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Louisiana Assistive Technology Access Network (a nonprofit organization), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Assistive Technology Access Network, as of August 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2014, on our consideration of Louisiana Assistive Technology Access Network's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Assistive Technology Access Network's internal control over financial reporting and compliance.

Hawthorn, Weymouth & Carroll, LLP

January 6, 2014

Louisiana Assistive Technology Access Network
Statements of Financial Position
August 31, 2013 and 2012

A s s e t s	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$1,483,359	\$1,381,255
Accounts receivable	6,443	8,034
Accrued interest	77	69
Prepaid expenses	14,036	18,605
Deposits	<u>1,613</u>	<u>1,613</u>
Total current assets	<u>1,505,528</u>	<u>1,409,576</u>
Restricted Cash	<u>268,268</u>	<u>287,120</u>
Property and Equipment		
Computer equipment	109,030	104,140
Furniture and fixtures	48,659	48,659
Telephone equipment	7,867	7,867
Assistive devices	<u>427,768</u>	<u>447,676</u>
	593,324	608,342
Less accumulated depreciation	<u>(526,462)</u>	<u>(465,222)</u>
Net property and equipment	<u>66,862</u>	<u>143,120</u>
Total assets	<u>\$1,840,658</u>	<u>\$1,839,816</u>
L i a b i l i t i e s a n d N e t A s s e t s		
Current Liabilities		
Accounts payable	\$ 26,888	\$ 2,634
Accrued liabilities	47,177	42,226
Deferred income	<u>116,046</u>	<u>54,210</u>
Total current liabilities	<u>190,111</u>	<u>99,070</u>
Net Assets		
Unrestricted	381,932	452,468
Temporarily restricted	<u>1,268,615</u>	<u>1,288,278</u>
Total net assets	<u>1,650,547</u>	<u>1,740,746</u>
Total liabilities and net assets	<u>\$1,840,658</u>	<u>\$1,839,816</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assistive Technology Access Network
Statements of Activities
Years Ended August 31, 2013 and 2012

	<u>August 31, 2013</u>			<u>August 31, 2012</u>		
	<u>Temporarily</u>			<u>Temporarily</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenue						
Federal grants	\$ 421,299	\$ —	\$ 421,299	\$ 469,096	\$ —	\$ 469,096
State contracts	275,317	—	275,317	86,559	—	86,559
Program service fees	5,232	—	5,232	7,749	—	7,749
Contributions	27,221	—	27,221	20,892	—	20,892
Interest	457	591	1,048	815	1,056	1,871
Net assets released from restrictions in satisfaction of program restrictions	<u>20,254</u>	<u>(20,254)</u>	<u>—</u>	<u>36,112</u>	<u>(36,112)</u>	<u>—</u>
Total revenue	<u>749,780</u>	<u>(19,663)</u>	<u>730,117</u>	<u>621,223</u>	<u>(35,056)</u>	<u>586,167</u>
Expenses						
Program	647,047	—	647,047	660,095	—	660,095
Fund raising	11,777	—	11,777	13,579	—	13,579
General and administrative	<u>161,492</u>	<u>—</u>	<u>161,492</u>	<u>180,332</u>	<u>—</u>	<u>180,332</u>
Total expenses	<u>820,316</u>	<u>—</u>	<u>820,316</u>	<u>854,006</u>	<u>—</u>	<u>854,006</u>
Increase (Decrease) in Net Assets	(70,536)	(19,663)	(90,199)	(232,783)	(35,056)	(267,839)
Net Assets, beginning of year	<u>452,468</u>	<u>1,288,278</u>	<u>1,740,746</u>	<u>685,251</u>	<u>1,323,334</u>	<u>2,008,585</u>
Net Assets, end of year	<u>\$ 381,932</u>	<u>\$1,268,615</u>	<u>\$1,650,547</u>	<u>\$ 452,468</u>	<u>\$1,288,278</u>	<u>\$1,740,746</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network
Statement of Functional Expenses
Year Ended August 31, 2013**

	Program Expenses						Total Program Expenses	General and Admin- istrative	Fund Raising	Total
	Loan Program (Title III)	Device Reutili- zation	Device Demon- strations	Device Loan Program	Public Awareness	Other				
Salaries	\$ 60,762	\$26,395	\$ 98,991	\$12,913	\$ 97,928	\$37,430	\$334,419	\$115,665	\$ 7,460	\$457,544
Payroll Taxes and Benefits										
Social security/Medicare	4,411	1,952	6,681	874	7,076	2,789	23,783	8,418	538	32,739
Unemployment insurance	500	150	569	40	362	76	1,697	438	22	2,157
Health benefits	2,093	565	9,917	1,168	7,088	1,663	22,494	5,365	588	28,447
Other	430	126	853	85	1,400	589	3,483	2,139	201	5,823
Total	7,434	2,793	18,020	2,167	15,926	5,117	51,457	16,360	1,349	69,166
Contracts/Consultants										
Audit	--	--	--	--	--	--	--	11,050	--	11,050
Public relations services	--	--	17	--	2,072	--	2,089	--	--	2,089
Website	996	440	1,681	167	1,124	385	4,793	481	--	5,274
Guaranteed loan payments	16,938	--	--	--	--	--	16,938	--	--	16,938
Other	1,685	179	591	58	741	368	3,622	1,685	--	5,307
Total	19,619	619	2,289	225	3,937	753	27,442	13,216	--	40,658
Travel										
Board members	--	--	--	--	45	--	45	508	25	578
Advisory Council	--	--	--	--	--	971	971	--	--	971
Staff	1,063	252	4,872	2,161	2,656	2,507	13,511	63	1,891	15,465
Total	1,063	252	4,872	2,161	2,701	3,478	14,527	571	1,916	17,014
Printing and Supplies										
Assistive devices/office equipment	--	1,265	671	671	--	1,265	3,872	--	--	3,872
Software, books, subscriptions, dues	1,271	565	2,112	211	2,891	511	7,561	1,012	378	8,951
Office supplies	1,054	718	2,803	570	2,392	921	8,458	498	84	9,040
Printing	537	160	814	159	7,088	202	8,960	163	--	9,123
Food and refreshments	70	31	148	57	1,435	24	1,765	18	--	1,783
Total	2,932	2,739	6,548	1,668	13,806	2,923	30,616	1,691	462	32,769
Operating										
Insurance	2,249	842	6,174	2,030	2,559	1,241	15,095	3,081	--	18,176
Occupancy	7,936	3,109	28,338	14,604	9,343	3,253	66,583	4,031	--	70,614
Postage	605	175	796	222	2,222	175	4,195	211	590	4,996
Property maintenance	1,043	406	5,345	3,248	1,263	433	11,738	481	--	12,219
Telecommunications	1,856	679	3,880	997	2,060	781	10,253	1,095	--	11,348
Depreciation	--	--	38,359	39,958	--	--	78,317	1,232	--	79,549
Loss on disposal of assets	--	--	1,599	--	--	--	1,599	--	--	1,599
Other	706	--	27	27	23	23	806	3,858	--	4,664
Total	14,395	5,211	84,518	61,086	17,470	5,906	188,586	13,989	590	203,165
Total functional expenses	\$106,205	\$38,009	\$215,238	\$80,220	\$151,768	\$55,607	\$647,047	\$161,492	\$11,777	\$820,316

The accompanying notes are an integral part of these financial statements.

Louisiana Assistive Technology Access Network
Statement of Functional Expenses
Year Ended August 31, 2012

	Program Expenses									
	Loan Program (Title III)	Device Reutil- ization	Device Demon- strations	Device Loan Program	Public Awareness	Other	Total Program Expenses	General and Admin- istrative	Fund Raising	Total
Salaries	\$53,882	\$26,352	\$110,770	\$15,434	\$ 94,656	\$38,916	\$340,010	\$122,830	\$10,512	\$473,352
Payroll Taxes and Benefits										
Social security/Medicare	3,287	1,590	6,749	637	6,152	2,212	20,627	8,397	765	29,789
Health insurance	5,604	1,061	7,764	1,053	6,454	1,509	23,445	8,557	657	32,659
Unemployment insurance	375	148	531	54	290	107	1,505	379	34	1,918
Other	1,365	649	2,761	373	2,265	920	8,333	2,830	233	11,396
Total	10,631	3,448	17,805	2,117	15,161	4,748	53,910	20,163	1,689	75,762
Contracts/Consultants										
Audit	—	—	—	—	—	—	—	13,475	—	13,475
Public relations services	—	—	—	—	700	—	700	—	—	700
Training/technical assistance	—	—	—	—	—	—	—	7,500	—	7,500
Website	445	195	779	182	491	274	2,366	227	—	2,593
Reboot computer payments	—	2,077	—	—	—	—	2,077	—	—	2,077
Guaranteed loan payments	9,418	—	—	—	—	—	9,418	—	—	9,418
Contract support services	195	58	431	43	250	88	1,065	107	—	1,172
Other	1,107	—	—	—	—	571	1,678	—	—	1,678
Total	11,165	2,330	1,210	225	1,441	933	17,304	21,309	—	38,613
Travel										
Board members	—	—	—	—	209	—	209	2,386	191	2,786
Advisory Council	682	—	—	—	—	564	1,246	—	—	1,246
Staff	1,253	141	4,125	1,965	1,794	1,686	10,964	184	289	11,437
Total	1,935	141	4,125	1,965	2,003	2,250	12,419	2,570	480	15,469
Printing and Supplies										
Assistive devices	—	—	3,557	—	—	—	3,557	—	—	3,557
Software, books, subscriptions, dues	1,036	327	2,234	257	2,760	530	7,144	1,153	58	8,355
Office supplies	1,182	595	2,420	880	2,181	889	8,147	481	53	8,681
Printing	239	135	536	79	4,536	80	5,605	58	339	6,002
Food & refreshments	—	—	—	—	7	4	11	—	—	11
Total	2,457	1,057	8,747	1,216	9,484	1,503	24,464	1,692	450	26,606
Operating										
Insurance	2,006	718	5,831	1,046	2,414	1,385	13,400	2,973	—	16,373
Occupancy	7,148	3,119	27,648	17,432	7,904	4,499	67,750	3,660	—	71,410
Postage	418	140	663	219	1,313	219	2,972	198	377	3,547
Property maintenance	1,200	524	6,609	4,357	1,308	675	14,673	577	—	15,250
Telecommunications	2,770	703	3,439	979	1,801	981	10,673	1,123	71	11,867
Depreciation	—	—	50,856	50,856	—	—	101,712	1,532	—	103,244
Other	608	59	31	31	53	26	808	1,705	—	2,513
Total	14,150	5,263	95,077	74,920	14,793	7,785	211,988	11,768	448	224,204
Total functional expenses	\$94,220	\$38,591	\$237,734	\$95,877	\$137,538	\$56,135	\$660,095	\$180,332	\$13,579	\$854,006

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network
Statements of Cash Flows
Years Ended August 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Increase (Decrease) in net assets	\$ (90,199)	\$ (267,839)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	79,549	103,244
Loss on disposal of assets	1,599	—
(Increase) Decrease in operating assets:		
Restricted cash	18,852	29,301
Accounts receivable	1,591	1,862
Accrued interest	(8)	55
Prepaid expenses	4,569	4,212
Increase (Decrease) in operating liabilities:		
Accounts payable	24,254	1,968
Accrued liabilities	4,951	10,568
Deferred income	<u>61,836</u>	<u>14,684</u>
Net cash provided by (used in) operating activities	<u>106,994</u>	<u>(101,945)</u>
Cash Flows From Investing Activities		
Purchased equipment	<u>(4,890)</u>	<u>(7,912)</u>
Net cash used in investing activities	<u>(4,890)</u>	<u>(7,912)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	102,104	(109,857)
Cash and Cash Equivalents, beginning of year	<u>1,381,255</u>	<u>1,491,112</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,483,359</u>	<u>\$ 1,381,255</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid for		
Interest	<u>\$ —</u>	<u>\$ —</u>
Income taxes	<u>\$ —</u>	<u>\$ —</u>

The accompanying notes are an integral part of these financial statements.

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 1-Summary of Significant Accounting Policies

A. Nature of Organization

Louisiana Assistive Technology Access Network (LATAN) is a nonprofit corporation which was organized November 9, 1994. LATAN is a consumer-directed, consumer-responsive organization whose mission is to assist individuals with disabilities to achieve an enhanced quality of life and greater independence through access to assistive technology. LATAN serves (1) individuals with disabilities or functional limitations and wounded warriors, as well as their families and care-givers; (2) service providers; (3) educators; (4) vocational rehabilitation specialists; (5) employers; and other stakeholders. LATAN also provides education and information to Louisiana's residents regarding the availability and benefits of, and access to technology that can assist people with disabilities or functional limitations.

Program services provided by LATAN include assistive technology device demonstrations, device loans, financial loans, device recycling exchange, emergency equipment distribution, information and assistance, technical assistance and training for individuals and service providers. Other programs include public awareness and systems change advocacy.

LATAN provides assistance for eliminating barriers that prevent citizens in Louisiana from acquiring assistive technology through the active involvement of consumers of assistive technology and collaboration with other agencies and organizations. Development of these relationships is vital to improving the service delivery systems and avoiding duplication of services.

LATAN receives the majority of its funding from a grant provided by the Assistive Technology Act of 2004, administered by the United States Department of Education and the State of Louisiana Department of Health & Hospitals, as well as direct funding from the Department of Health & Hospitals. The amounts of this funding may vary depending on funding provided by the respective governmental authorities. Contributions and grants are also received from individual donors and other organizations.

B. Basis of Accounting and Presentation

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables, and other liabilities. Revenues are recorded as they are earned and expenses are recorded as they are incurred.

Financial statement presentation follows the recommendations of FASB ASC 958, *Not-for-Profit Entities*. In applying the provisions of FASB ASC 958, LATAN is not considered to be a health and welfare organization. Under FASB ASC 958, LATAN is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time, period, or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. The Organization does not have any permanently restricted net assets as of August 31, 2013 and 2012.

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Presentation (Continued)

Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments. Designations may be reversed by the board of directors at any time. There were no designated funds as of August 31, 2013 or 2012.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements. Program service fees are recognized as unrestricted revenue in the period in which the services are provided.

Government grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services specified under the terms of the grant agreement. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management which might affect these financial statements include, but are not limited to the following items:

- Allocations of operating expenses between program activities and the management and general function;
- Depreciable lives of property and equipment.

D. Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, LATAN considers all highly liquid debt instruments purchased with an initial maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

E. Accounts Receivable

Accounts receivable are reported at billed amounts net of any allowance for doubtful accounts. The allowance for doubtful accounts is based on historical experience and an evaluation of the outstanding receivables at the end of the year. Accounts receivable are written off when deemed uncollectible by management. Bad debt recoveries are included in income as realized. As of August 31, 2013 and 2012, there was no allowance for doubtful accounts recorded.

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 1-Summary of Significant Accounting Policies (Continued)

F. Property and Equipment

Property and equipment is recorded at cost; or, if donated, at fair market value at date of donation. Depreciation is provided for on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. Estimated useful lives range from 3 to 10 years.

Expenditures for major additions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

G. Compensated Absences

Employees are allowed to carry over up to eighty (80) hours of annual leave to the following year, unless approval is given to carry over more hours. Payment for unused annual leave is made upon an employee's termination.

The liability for accumulated unpaid annual leave is determined by using the number of vested vacation hours for each employee multiplied by the employee's wage rate at the end of the year.

The liability for accumulated unpaid annual leave (\$20,706 and \$20,734 as of August 31, 2013 and 2012, respectively) is included in accrued liabilities on the statements of financial position.

H. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expenses for the years ended August 31, 2013 and 2012 were \$2,088 and \$700, respectively.

I. Income Taxes

LATAN follows the provisions of FASB ASC 740, *Income Taxes*, relating to uncertain income tax positions. These standards require management to perform an evaluation of all income tax positions taken or expected to be taken in the course of preparing LATAN's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. This evaluation is required to be performed for all open tax years, as defined by the various statutes of limitations for federal purposes.

LATAN is required to file federal income tax returns. With limited exceptions, LATAN is no longer subject to income tax examination for any tax years earlier than 2010. Management has performed its evaluation of all other income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax provisions in the accompanying financial statements.

From time to time, LATAN may be subject to interest and penalties assessed by various taxing authorities. These amounts are expensed when they occur.

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 2-Restricted Cash

LATAN is required to have on deposit with Regions Bank, as a surety for the alternative financing program loans discussed in Note 3, an amount equal to thirty-five percent of the principal loan balance and overdue interest as calculated at the end of each month, plus \$75,000. As of August 31, 2013 and 2012, LATAN had \$268,268 and \$287,120, respectively, on deposit at Regions Bank for this purpose.

Note 3-Federal Financial Assistance

In 2011, LATAN was awarded a grant from the Rehabilitation Services Administration, U.S. Department of Education and has participated in the Alternative Financing Program through the U.S. Department of Education's National Institute on Disability and Rehabilitation since 2002. The grants are explained as follows:

Assistive Technology Grant

The Assistive Technology Grant provides funding for assistive technology services for Louisiana individuals with disabilities. The grant is a cost reimbursement type grant, which means that revenue is recognized when allowable costs are incurred.

Alternative Financing Program

In August of 2002, LATAN received a \$1,500,000 federal grant and a \$500,000 state grant to administer an Alternative Financing Program under Title III of the Assistive Technology Act of 1988. The Alternative Financing Program's purpose is to provide loans to individuals with disabilities, irrespective of their age or annual income, so that they can acquire assistive technology to improve their quality of life. LATAN partnered with Regions Bank to facilitate the loan process. Regions Bank agreed to offer the loans at below-market interest rates with extended repayment periods. In cases where Regions Bank cannot loan the applicant money because its loan criteria is not met, LATAN will reevaluate the denied application and, if the circumstances warrant, LATAN will approve the loan, and in the event the borrower defaults, use grant proceeds to guarantee the repayment of the loan to Regions Bank. During the year ended August 31, 2013, four new guaranteed loans were made totaling \$138,144. At August 31, 2013, guaranteed loans totaled approximately \$552,195. Four additional non-guaranteed loans totaling \$124,016 were also made during the year ended August 31, 2013.

The grant is considered to be a temporarily restricted contribution. Accordingly, restrictions are released when direct and indirect costs are incurred to operate the program. The term of the grant also limits the amount of indirect costs that may be charged to the grant in a fiscal year.

Note 4-Restrictions on Net Assets

Temporarily restricted net assets are available for the following use:

	<u>2013</u>	<u>2012</u>
Alternative Financing Program	\$1,267,717	\$1,287,380
Emergency Preparedness and Response Projects	329	329
Reutilization	<u>569</u>	<u>569</u>
Total temporarily restricted net assets	<u>\$1,268,615</u>	<u>\$1,288,278</u>

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 5-Lease Commitment

LATAN leases its office facility and storage space under operating leases expiring in various years through August 31, 2017. Rental expenses under these leases were \$55,944 and \$55,665 in 2013 and 2012, respectively. The following is a schedule of the future minimum lease payments:

2014	\$57,044
2015	56,444
2016	57,644
2017	4,812

Note 6-Pension Plan

LATAN has a retirement savings 403(b) plan in which substantially all employees may participate. LATAN did not make any matching or discretionary contributions to the plan for the years ended August 31, 2013 and 2012.

Note 7-Concentrations of Credit Risk

LATAN maintains its cash balances at several local banks. Non-interest bearing accounts at each bank are insured by the Federal Deposit Insurance Corporation without limit. At August 31, 2013 and 2012, funds for the Alternative Financing Program were collateralized by securities held in a joint custodial account in LATAN's name.

Note 8-Contingencies - Grant Program

LATAN participates in federal grant programs which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that LATAN has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and LATAN.

Note 9-Economic Dependency

For the year ended August 31, 2013, LATAN received approximately 58% of its revenue from funds provided by the Assistive Technology Act through the U.S. Department of Education's Rehabilitation Services Administration and approximately 38% of its revenue from an appropriation provided by the State of Louisiana. The funds received are appropriated each year by the federal and state governments, respectively. Other sources of revenue received include contracts, donations, and service fees. If significant budget cuts are made at the federal or state level, the amount of funds received by LATAN could be reduced by an amount that could adversely impact its operations. Management is not aware of any actions that have been taken or are proposed to be taken by the federal government that will adversely impact LATAN's grant for the fiscal year ending August 31, 2014. LATAN has determined that it will not receive any appropriation from the State of Louisiana for the fiscal year ending August 31, 2014.

Louisiana Assistive Technology Access Network
Notes to Financial Statements
August 31, 2013

Note 10-Board of Directors Compensation

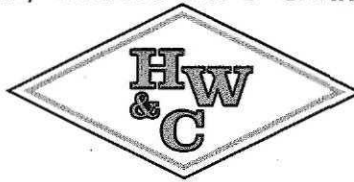
The Board of Directors is a voluntary board; therefore, no compensation or per diem has been paid to any Director.

Note 11-Subsequent Events

LATAN evaluated all subsequent events through January 6, 2014, the date the financial statements were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

LOUIS C. McKNIGHT, III, C.P.A.
CHARLES R. PEVEY, JR., C.P.A.
DAVID J. BROUSSARD, C.P.A.
NEAL D. KING, C.P.A.
KARIN S. LEJEUNE, C.P.A.
ALYCE S. SCHMITT, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD., SUITE 200
BATON ROUGE, LOUISIANA 70809
(225) 923-3000 • FAX (225) 923-3008

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Board of Directors
Louisiana Assistive Technology Access Network
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Louisiana Assistive Technology Access Network (a nonprofit organization), which comprise the statement of financial position as of August 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 6, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Assistive Technology Access Network's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Assistive Technology Access Network's internal control. Accordingly, we do not express an opinion on the effectiveness of LATAN's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency*, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Assistive Technology Access Network's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hawthorn, Weymouth & Carroll, LLP

January 6, 2014

**Louisiana Assistive Technology Access Network
Schedule of Findings and Responses
Year Ended August 31, 2013**

Findings - Financial Statement Audit

None.

**Louisiana Assistive Technology Access Network
Schedule of Prior Year Findings and Responses
Year Ended August 31, 2013**

Findings - Financial Statement Audit

None.